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Classified By: POLCOUNS Brian R. Naranjo. Reasons: 1.4 (b) and (d).

Summary

 $\underline{\mathbf{1}}$ 1. (C) The Panama Post is coming to you a few days early this week. State's Director for Central American Affairs hits the ground January 17 for a few days of scrounging around the Panamanian political scene as well as to follow up on the Regional Healthcare Training Center, attend the Omar Moreno Foundation's baseball gala, and reach out to anti-corruption activists. In this edition, our headlines are:

-- First Lady Vivian de Torrijos comes knocking;

- -- Former President Guillermo Endara wins Moral Vanguard of
- the Nation (VMP) primary; and -- First VP and FM Samuel Lewis predicts "no surprises" when governing Revolutionary Democratic Party (PRD) go the polls on January 20.

Stay tuned for next week's special edition -- The Director's Cut -- in which the Panama Post will dish on political insight garnered during our director's visit.

First Lady on the Campaign Stump

was already on hand.

- 12. (SBU) DCM opened the front door to his residence on the evening of January 14 to unexpectedly find on his stoop First Lady Vivian Fernandez de Torrijos going door to door seeking support for her campaign to become a member of the National Directors' Committee (CDN) of the governing Revolutionary Democratic Party (PRD). Equally surprised to find the Embassy's Number 2 at the door, the First Lady exchanged pleasantries, demurred on an invitation to come in, and soon departed to knock on more doors in the upper class, former base housing complex of Albrook. Seeing a crowd waving signs and chanting outside the DCM's residence, an Embassy officer who lives near by nearly alerted post's Regional Security Office (RSO) to inform them of the "demonstration," only to realize that ample security -- the First Lady's security --
- 13. (SBU) Comment: Such door-to-door campaigning is not common in Panama City, though it is very common in Panama's rural interior. According to the Panama Post's most seasoned analyst, one never knows who might open the door. While

bumping into the U.S. DCM is innocuous enough -- Vivian did not offer to document the DCM so he could vote -- the chances of having a political opponent or enemy open the door are generally believed to be to high. Most of the district in which the First Lady lives consists of slums -- Santa Ana, San Felipe, and El Chorrillo -- not the higher class areas such as Albrook and the Ancon area where the President and First Lady reside. The Panama Post wonders whether her security detail will traipse through El Chorrillo on a similar door-to-door effort. If we hear, we'll let you know.

Endara Sweeps VMP Presidential Primary

- 14. (U) To nobody's surprise, former President Guillermo Endara handily won the presidential primary of the Moral Vanguard of the Nation (VMP) party on July 13. Endara ran unopposed and garnered some 8,000 votes. Endara is now the first formally declared presidential candidate for Panama's May 2009 general elections. Interestingly, this victory was also Endara's first primary win in his long political career.
- 15. (C) Comment: "We're broke and cannot afford a big turn-out-the-vote effort. We're only spending about USD 10,000 on this primary," Endara's right-hand man, Menalco Solis, told POLCOUNS on January 11. VMP polling stations were placed in out of the way corners primarily along the Panama City-Colon corridor where there were pockets of VMP members. Endara, who lives in downtown Panama City, had to travel to the small town of Tocumen, home of Panama City's international airport, to vote. Politically, Endara's presidential primary victory will make it more difficult for him to join a coalition to support another candidate's run for the presidency as he would have to walk away from loyal supporters who formally blessed him as their candidate.

Lewis: "No Surprises" Expected in PRD poll

- 16. (C) "There will not be any surprises on Sunday (January 20)," First VP and FM Samuel Lewis predicted to Ambassador on January 16. PRD members go to the polls on January 20 to selected some 4,200 delegates who will in turn elect the parties future leadership, including its National Executive Committee (CEN). Lewis, who is running himself on a ticket in the upper class Panama City neighborhood of San Francisco, predicted that some 200,000 PRD rank and file, nearly one third of the party's registered members, would go to the polls. Nearly one out of every eleven or twelve party members is running for a party job, Panama City Mayor (and Lewis' cousin) Juan Carlos Navarro explained to Ambassador on January 10. Noting that delegates can switch their support once elected, Lewis downplayed the likelihood that any party notable would be able to claim a "surprise" victory. "The real game begins once the delegates have been chosen. Who knows what will emerge from the delegates?" Lewis added.
- 17. (C) Comment: The Panama Post surmises that Lewis was likely aware of POLCOUNS's January 13 meeting with former President Ernesto "El Toro" Perez Balladares during which meeting El Toro smugly asserted that there would be a surprise, in his favor, on January 20 (REFTEL B). On January 17, Panama City broad sheet daily La Estrella's political gossip suggested that it was estimated that El Toro would take thirty percent of the delegates that would be elected on January 20. While Lewis is technically right that delegates could switch their support once elected, many of these would-be delegates are campaigning with the political and financial support of major PRD heavy hitters. The reality is that there are few true PRD free agents on the field. Lewis and Perez Balladares agree on one point though: the real game, as far as the internal PRD elections are concerned, begins once the delegates have been chosen. Was Lewis trying to lower expectations? Was he trying to lay seeds of doubt regarding El Toro's confident assertion that there would indeed be a surprise? Only one thing is for sure: either El

Toro or Lewis is going to be surprised on Sunday. Ultimately, this internal PRD game will have major impacts on the PRD's eventual presidential nominee and the broader political panorama. EATON